

# Denmark

## Some general figures about entrepreneurship in Denmark

- The newly started enterprises amounted to 11% of all enterprises. After 2 years are 60% still there – in 6 years about 25% survive.
- The new enterprises mostly begin in the fields of knowledge service (29%), retail trade (17%) and only 6% begin in the industrial field.
- 30% of the entrepreneurs are women.
- The number of students starting enterprises is not registered. But we do know that among the entrepreneurs 57% are under 35 years old and 22% have a higher education, 6% have a master- or PhD-degree. Among the female entrepreneurs 25% have a higher education and 6% a master- or PhD-degree. As a curiosity we can mention the Business Development Education in Herning – they have 25% of the students starting their own business.
- We have business incubators in Denmark: innovation environments, which offer funding, counselling and coaching to entrepreneurs with new and extraordinary ideas. Other entrepreneurs can have business counselling supported by the state. Every region in the country provides counselling, especially on budgetting and accountance, financing, revision, tax and VAT and other skills needed for entrepreneurs. There are some private business incubators too. They offer cheap office facilities and network for entrepreneurs.
- Some of the engineering education institutions offer a sort of business incubator for students.

Denmark needs more entrepreneurs – that's the policy of both the former and the present government. Denmark is especially concerned about the shift from industrial society to a society of knowledge. Denmark has a very well-educated population thanks to a good educational system, focus on lifelong learning in the companies as well and the high level of research both in private companies and in universities.

So Denmark is concentrating on entrepreneurs in the fields of knowledge, knowledge-requiring industry and service-industry.

The amount of newly started enterprises is rising, especially in the field of knowledge-service – but is still at a low level of 11%, close to the european average. But Denmark should be better than that according to the educational and economic levels. Denmark has mostly small and medium size enterprises (below 250 employees) and has a long-standing tradition of preferring small enterprises.

As far as female entrepreneurs are concerned they now amount to 30% of the entrepreneurs, but they are still too few.

As for entrepreneurs with a higher education in technology and science, only few start their own enterprise, and even fewer of them are women. In the Engineering

Association of Denmark only 12% are women, and only about 2% are entrepreneurs, and among the women only about 1% are entrepreneurs.

### Reasons why

- Denmark is dominated by a wage earner culture economically, bureaucratically and mentally.
- Denmark (like other countries) has not yet seen the full potential of the society of knowledge – we still think of the social advantage of having entrepreneurs in terms of the number of employees they hire. We need to create diversification in the ways we think of growth.
- Women need more appreciation and support to start their own enterprises, to emancipate their potential of doing it their way.

## Entrepreneurship i Denmark – does gender play a role?

The following figures are based on figures from The Danish Statistical Department, 2004.

*Table 1: Entrepreneurs in Denmark, distributed on gender, January, 2004*

	Total	Percentage
Female entrepreneurs	47.018	24.8
Male entrepreneurs	142.349	75.2
<b>Total</b>	<b>189.367</b>	<b>100.0</b>

The table (1) confirms that female entrepreneurs are still rather few compared to male entrepreneurs, who dominate the picture by counting 75 pct. of all entrepreneurs in Denmark.

*Table 2: Entrepreneurs in Denmark, distributed on gender and age, January, 2004*

Age group	Women		Men	
	Total	Percentage	Total	Percentage
16-19	58	0.1	220	0.2
20-29	2.814	6.0	8.217	5.7
30-39	10.335	22.0	27.529	19.3
40-49	12.223	26.0	33.116	23.3
50-59	13.635	29.0	37.816	26.6
60 +	7.938	16.9	35.436	24.9
<b>Total</b>	<b>47.003</b>	<b>100.0</b>	<b>142.334</b>	<b>100.0</b>

The table (2) illustrates the distribution of entrepreneurs on age groups. It shows a tendency – shared by female and male entrepreneurs - that entrepreneurship grows with ageing. Thus, the highest level of entrepreneurs is recognised in the age groups from 50 years +.

Table 3: Entrepreneurs distributed on gender and ethnic origins, January 2004

Ethnic origins	Women		Men	
	Total	Percentage	Total	Percentage
Danish origins	42.979	91.4	131.395	92.3
Immigrants from western countries	1.634	3.5	3.433	2.4
Immigrants from non-western countries	2.194	4.7	6.878	4.8
Descendants from western countries	113	0.2	291	0.2
Descendants from non-western countries	98	0.2	352	0.3
<b>total</b>	<b>47.018</b>	<b>100.0</b>	<b>142.349</b>	<b>100.0</b>

In Denmark there is a growing attention on the traditions for entrepreneurship brought to the country by ethnic minorities – especially minorities from non-western countries. The registration of entrepreneurship actually shows that ethnic minorities from non-western countries are overrepresented among both female and male entrepreneurs compared to their part of the population.

The table (4) indicates a certain gender division as for female and male entrepreneurs within the various trades. As an example female entrepreneurs are relatively stronger represented in wholesale and retail than male entrepreneurs – who are on the other hand very dominant in traditional trades as metallic and construction industries.

It is also notable that female entrepreneurs hold a relatively dominant position within Business services that include the growing number of so-called *free agents* – freelance entrepreneurs offering knowledge services and products in networks with other freelance entrepreneurs.

Last, but not least, female entrepreneurs are strongly represented within education, health service and social services.

*Table 4: Entrepreneurs distributed on gender and trades, January 2004*

<b>Trades</b>	<b>Women</b>		<b>Men</b>	
Agriculture, gardening and forestry	4003	8,5	35740	25,1
Fishing	38	0,1	1768	1,2
Raw materials winning	3	0,0	50	0,0
Provision- and tobacco-industries	192	0,4	901	0,6
Textile- and leather-industries	605	1,3	310	0,2
Wooden- paper and graphic-industries	314	0,7	1287	0,9
Chemical – and plast-industries	33	0,1	177	0,1
Sten-, ler- and glasindustri	198	0,4	277	0,2
Iron- and metallic-industries	203	0,4	3727	2,6
Furniture-industries	304	0,6	994	0,8
Energy sector	109	0,2	585	0,4
Construction industries	705	1,5	17559	12,4
Car dealing, service stations a.o.	389	0,8	6063	4,3
Wholesale	1114	2,4	5210	3,7
Retail trade	7400	15,7	11710	8,2
Hotels and restaurations	3535	7,5	6244	4,4
Transportation	674	1,4	8347	5,9
Post and telegraph	143	0,3	577	0,4
Financing and insurance	10	0,0	206	0,1
Letting and estate agencies	1892	4,0	5602	3,9
Business service	7832	16,7	17760	12,5
Public administration	1	0,0	6	0,0
Education	505	1,1	1002	0,7
Health service	3775	8,0	4747	3,3
Social service	332	0,7	254	0,2
Associations, Culture a.o.	6666	14,2	3742	2,6
Unknown activities	6043	13,0	7504	5,3
<b>Total</b>	<b>47.018</b>	<b>100.0</b>	<b>142.349</b>	<b>100.0</b>

Table 5: *Entrepreneurs, distributed on educational background, January 2004*

<b>Educational level</b>	<b>Total</b>	<b>Percentage</b>
Primary school	42.750	25.7
Grammar / Senior school (general)	7.246	4.3
Grammar / Senior school (trade)	2.413	1.4
Vocational training	77.128	46.2
Short advanced studies	8.258	4.9
More advanced studies	11.168	6.7
Bachelor studies	1.346	0.8
Master studies	13.600	8.1
Unknown educational level	3.249	1.9
<b>Total</b>	<b>167.158</b>	<b>100.0</b>

The table (5) confirms that most entrepreneurship in Denmark still are established within the traditional sector of trade and handicraft on basis of vocational training. But it is also significant that about 25 pct. of all entrepreneurs are registered without any further education and only primary school as the highest educational level.

## **Free agents - from the sale of work capacity to sale of competence**

- About 13 pct. of the workforce, corresponding to approximately 160.000 active persons in the business community, have established themselves as free agents.
- 1 pct. hereof, corresponding to 23.000 free agents, nourish themselves strictly by selling their own service.
- The residual group today supplies their earnings with transfer income.
- The life of the agent can be seen as a choice not to have an alienated job, and a choice to have a flexible working life.
- The life of the agent can also be seen as an additional choice and a development of a project-oriented and often team-organised form of work, where the individual's unique competence and the complementarity of unique competencies, forms the ground of the ability to compete and for the economic success.

- The free agents also settles the accounts with the classic genre pictures of “the owner of the factory”.

## **Female and male entrepreneurs – differences to cognizance**

- Objectively the female entrepreneur *is* characterized by fewer “variables of survival” than the male entrepreneur. But in practice the share of survival among women is not particularly lower than among men.
- 2/3 of the female entrepreneurs have established themselves during the 1990'ties within retail trade and business service, and female entrepreneurs in general have a more specific choice in line of business than men.
- Female entrepreneurs show a larger spread in age than the male entrepreneurs, who are dominated by a younger group of age, in a much larger extent.
- Female entrepreneurs with younger children have a smaller chance of survival in general than woman without younger children - the opposite pattern marks the men.
- There are more employers among female entrepreneurs than the male - but a larger growth among the males concerning both employment and turnovers.

***(From the danish report: *Entrepreneurs in the 1990'ties*”, 1999).***

## **Female entrepreneurs - what incentives?**

- The wish - and the need - to decide for themselves.
- The wish for a greater extent of flexibility in business- and family life.
- The wish for freedom and not being “tied down”.
- The wish for no responsibility towards others.
- The wish for doing things better than they are done in the workplaces so far.
- The wish to use and expand your creative abilities.
- The wish to be rewarded for your effort.
- The wish to make use of the endless possibilities that actually exists.
- The wish to see something grow and know that you were the driving force.

***(From the danish report: *The terms of female entrepreneurs*”, 2000).***